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Populism and political corruption

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Abstract

This paper analyzes the relationship between populism and political corruption. Using discourse analysis, it shows that the two phenomena are inextricably linked, as political corruption, along with a lack of good governance, ultimately fosters resentment and distrust in public institutions—attitudes that present an opportunity for populists to employ populist rhetoric in their electoral campaigns. The paper argues that the anger generated by corruption among citizens plays a vital role in bringing populists to power, as they often succeed precisely by promising to eradicate corruption. Drawing on existing literature, the paper finds that populists are more likely to make promises but less likely to keep them—often encouraging new forms of corruption and proving ineffective in addressing existing ones. Populist rule is characterized by three distinct practices: the attempted capture of the state apparatus; corruption and mass clientelism; and the systematic suppression of civil society, which, under the populist principle of ruling "in the name of the people," becomes delegitimized and increasingly constrained. The paper proposes that the transition from populism to political corruption operates not only at the national level but also at the local level, where politicians are similarly more likely to act populistically when high levels of corruption are already present in the political landscape. Finally, the paper considers a scenario in which populism, combined with political corruption, enables the capture of the state as the highest possible form of corruption.

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1. Introduction

Corruption—a historically persistent political phenomenon—takes on many different forms and has a variety of effects, both on the economy and on society more broadly. While various forms of corruption have persisted over decades, it is crucial to recognize that even similar types of corrupt practices can produce markedly different effects depending on the institutional, political, and socio-economic contexts in which they occur. Similarly to the impacts, factors contributing to corruption vary as well. More broadly however, the current scholarship tells us that they include the state of the political and economic environment, professional ethics and morality, as well as customs, habits, traditions, and demographic factors. In public discourse corruption often becomes synonymous for bribery, however it is crucial to note that corruption represents a much broader concept, of which bribery is only one form of it. Populism, on the other hand, is a mode of political practice in which the politician positions themselves as representing "the people"—a somewhat abstract group of people that includes an imagined, morally pure and hardworking electoral base alongside the already existing party's members and supporters—against "the elites." Moreover, populists tend to make broad promises designed to appeal to the widest possible cross-section of society. Crucially, populism operates under the logic of "us" against "them," with an aim of excluding certain groups of people from the decision-making apparatus. These very characteristics in fact define the politics of populism and create a political landscape without any specific criteria other than the separation between "friends" and "enemies." During a populist rule, a state of emergency is often declared in the name of "the people" or "the public interest." These states of emergencies, the paper observes, are typically framed as a response to an "existential threat to a way of life." In such contexts, political actions that in the time of non-populist rule belong to the realm which is

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outside the institutional hierarchies of power can quickly be rearticulated as anti-elitist, further reinforcing populist narratives.

It is important to note, however, that populism and corruption are intrinsically linked. Corruption and the absence of good governance foster public distrust in institutions and generate resentment—conditions that populist leaders can readily exploit to galvanise support and fuel their electoral campaigns. This idea coincides with the previously discussed populist dichotomy of "the right people" versus "corrupt elites," which—as this paper shows—is inherent to both contemporary the populist ideology and rhetoric. Recent years have shown that public anger often driven by the perception of widespread corruption—has played a crucial role in the rise of populist leaders across Europe, the Philippines, the United States, and Brazil. This paper however shows that the populists in these countries have a poor record in the fight against corruption. These two dynamics—of the intertwined nature of populism with political corruption and the failed promises by populist politicians to successfully tackle corruption underscore the relevance of this research, which seeks to better understand the complex dynamic between corruption and populism.

Article 2 of the Council of Europe's Civil Law Convention on Corruption (ETS No. 174), adopted in 1999, defines corruption as "requesting, offering, giving or accepting, directly or indirectly, a bribe or any other undue advantage or prospect thereof, which distorts the proper performance of any duty or behaviour required of the recipient of the bribe, the undue advantage or the prospect thereof." According to this widely cited definition in legal contexts, even the mere promise of an undue advantage constitutes corruption. This encompasses actions such as unjustified public spending, misallocation of resources, abuse of authority, and deliberate violations of legal norms for personal or political gain (Štefan Šumah, Šumah, & Borošak, 2020).

In this light, populism may be conceptualized as a form of political corruption. However, unlike traditional forms where money or material gain is exchanged to secure power or influence, populism often relies on rhetoric—promises, emotional appeals, and performative gestures—as the currency through which political capital is gained or retained.

2. Populism

Populism is an essentially anti-elitist political doctrine that exists across the political spectrum. While populism is not necessarily corrupt in itself, its practices can be linked to political corruption. Conversely, political corruption is often associated with populist movements. Muller (2018) defines the logic of populist ideology as holding an inherently moralistic notion of politics (the people versus the corrupt elites). However, Müller also observes that populists—operating under the assumption that they are the ones who represent *the* people—not only not merely criticize the current political and economic situation in the country but are principally against any sort of political pluralism. Müller argues that populist leaders often rely on the homogenisation of the political community, constructing a dichotomy between two opposing poles: on one side, the morally pure, unified, and authentic "people," of whom they claim to be the sole legitimate representatives; on the other, a corrupt elite. However, this paper argues that this definition may be too narrow as it primarily reflects the rhetoric and positioning of the populist leadership rather than the broader populist movement or electorate. Indeed, in a broader sense of the definition, anyone who positions themselves against the existing order and promises changes that appeal to a broad segment of the electorate—while speaking on behalf of the "real" or "authentic" people can be understood as a populist.

Furthermore, populism often tends to present simple solutions to address the issues the current governing body does not deal with, does not want to deal with, or does not know how to deal with. This most often also includes the talking point about corruption, which—since it appeals to the broader electorate—has been a persistent talking point of many populists. Paradoxically however, many of the populists, which have promised to take aggressive measures against corruption, have ended up creating an even more corrupt regime.[1]

Most political science scholars conceptualize populist ideology as centrally structured around a binary opposition between a corrupt elite and the virtuous people. The notion that elites or politicians work against the interests of the people indeed appears to be inherent to the political communication of populist leaders. For example, Mudde (2004) identifies populist ideology in the falsely created dichotomy between "clean people" and "corrupt elite." Following the recent trend of a global rise of populist right-wing leaders with strong authoritarian tendencies, corruption has indeed emerged as one of the keys talking points of many populist candidates today. Somewhat paradoxically, while contemporary populist leaders often rise to power on anti-corruption platforms, they frequently engage in corrupt practices once in office. This issue is, however, more nuanced; much more can be said about the structural and systemic conditions that enable this conundrum, which this paper analyzes in the next sections.

Three leaders whose rise illustrates the fundamental vulnerabilities of anti-corruption systems that populists exploit are Donald Trump in the United States, Jair Bolsonaro in Brazil and Rodrigo Duterte in the Philippines. Common to all, they have successfully exploited existing popular distrust in government and high

[1] Slovenia is one such example, where the current Prime Minister, who among other things promised to fight corruption before the 2022 elections, Slovenia has been falling in the Corruption Perception Index for two years.

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perceived levels of corruption to their rhetorical advantage. Once elected, they have used their power to further weaken the institutional arenas for fighting corruption by bypassing them, co-opting political appointees and removing any potential critics from their workplace.

The results of this "strategy" are evident in justice systems and in the perceived increase in corruption in all three countries mentioned earlier. Especially notable is the erosion of the rule of law and transparency during the Trump administration, which has had a profound impact on the American justice system. Trump's numerous outbursts—including attacks on judges, prosecutors, and even the forewoman of the jury that convicted his associate Roger Stone—have significantly undermined the integrity of the independent legal system (Porcile & Eisen, 2020).

Similarities between these three populist leaders—Trump, Bolsonaro, and Duterte—were evident as early as their election campaigns, during which each prominently employed anti-corruption rhetoric as a central pillar of their appeal. They explicitly rejected traditional, institutional mechanisms to fight corruption, instead offering the electorate to fight corruption as individuals or through close allies. The focus on the political establishment in the capital is also evident in the rhetoric of Philippine President Rodrigo Duterte, who as a former mayor in the southern Philippines campaigned on the promise of ending the concentration of political power in the country's capital Manila. During his time in office, Duterte launched a campaign to crack down on corruption, dismissing numerous officials from their positions. Despite numerous efforts, the success of Duterte's anti-corruption campaign remains questionable. Many officials who were initially dismissed were later reinstated, suggesting that the campaign may have been motivated more by the appearance of combating corruption than by a genuine commitment to institutional reform.

Brazil's former president, Jair Bolsonaro, likewise built his campaign around anti-corruption rhetoric, positioning himself in opposition to candidates associated with a political system widely perceived as deeply corrupt (Kirby, 2018). Bolsonaro promised to "sweep away" the politics of corruption and "clean up" the public administration. After landing in the office Bolsonaro appointed Sérgio Moro (the judge who led the infamous Car Wash case) to become the Minister of Justice. Moro's appointment underlines the importance of anti-corruption efforts in Brazil and how they impact electoral results. For years, Brazil's political landscape has been dominated by corruption scandals, sparking widespread public outrage and eroding trust in political institutions. For example, *Operação Lava Jato* (Operation Car Wash) started as a money laundering investigation but quickly turned into a corruption investigation. The case exposed high-level executives at Brazil's state-owned oil company Petrobras, which accepts bribes as a reward for greenlighting overpriced construction contracts. As the investigation expanded, it began to involve senior politicians from almost all major political parties, including senators, federal deputies, mayors, party leaders and former (and also current) President Lula da Silva. However, just as Bolsonaro won the elections on the basis of his anti-corruption campaign, high levels of corruption also became one of the major reasons why he lost the next presidential elections against Lula.

Most populist election campaigns can be linked to Moffitt (2016) observation that populist leaders tend to make a disproportionately high number of promises—many of which are unlikely to be fulfilled. At the same time however, populists encourage new forms of corruption and are often ineffective in fighting old ones, despite their numerous promises to eliminate corruption during their campaigns. Similarly, Kostadinova (2024) using regression analysis of panel data alongside qualitative case studies, finds that ruling populist parties have generally failed to reduce corruption—primarily due to their intentional interference in state institutions, which undermines accountability and weakens institutional checks and balances. Kossow (2019) similarly points out that "It is questionable how effective populist leaders are in actually fighting corruption. As anti-corruption promises serve to propel populists into office, these promises are often forgotten once these leaders come to power, and their divisive discourse then serves as a cloak to hide their corrupt dealings and sometimes even some new types of corruption."

As a point of interest, this paper would like to draw attention to another study by Flander and Meško (2013) which—using a case study of Slovenia—demonstrates that under a populist leadership the demand for toughening penal policy increases. This trend, however, can be observed across the political spectrum, and concerns the rhetoric which calls for "an effective fight against crime, efficient prevention, suppression and punishment of economic crime and corruption, and a swift and effective judicial process in criminal proceedings…"

In the Slovenian case, the general public has increasingly adopted a punitive attitude, which—in part fueled in part by political populism—has led to the further tightening of punitive policies and legislation. However, despite the justice system undergoing extensive transformations, these changes appear to be exacerbating the ongoing crisis in criminal justice rather than producing any meaningful or lasting improvements. This further reinforces the already well-established scholarly thesis that populist policies often fall short of delivering on their promises.

3. The Link Between Populism and Political Corruption

The relationship between corruption and populism can be seen from three perspectives. First, the rise of populism can be interpreted as a response to corruption. The electoral success of populist parties often depends

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on the already established negative beliefs of the electorate, such as the ones that all politicians are "dishonest" and "corrupt". Second, populist parties increase the visibility of corruption, since their anti-corruption claims are a key element of the populist rhetoric. Finally, although populist parties promise to fight corruption, they are in no way immune to corruption scandals themselves. On the contrary, their illiberal views of democracy likely contribute to a political landscape with greater incentives for corrupt political behaviour (Engler, 2024).

Populism and its link to political corruption have been rigorously analyzed by Rusciano (2019), who draws on the ideas of Carl Schmitt and Machiavelli. Schmitt, a German political theorist, described the "state of emergency" as a time when traditional institutions can no longer manage political chaos. During such periods, the sovereign would pursue "authentic politics" by acting outside traditional structures and political practices, ignoring norms and defining an order based on the distinction between "friends" and "enemies." Similar practices can also be observed in many populist politicians today who use the heightened levels of corruption to stimulate a "state of emergency" in which certain illiberal democratic practices appear legitimate to the general population.

Rusciano further argues that populism often survives by undermining the very institutions it claims to reform. Once in power, the populist leader tends to blur the line between public and private interests, treating the state as a personal vehicle for power and gain rather than a system meant to serve the public.

Populism, Rusciano argues, has an incentive to replace elites, but not to abolish them altogether. While the current ruling elites are always to blame for the emergence of populism, they themselves produce populists, or provide them with the opportunity for their political rise. In effect, ruling elites, by alienating segments of the electorate and creating fertile ground for populist messaging unintentionally supply populists with the political capital necessary for their ascent. As such Overton window[2]—the range of ideas considered acceptable in public debate—moves in the way that their fringe positions start to seem mainstream and legitimate.

From the fascist and Nazi regimes of the 20th century to more recent examples of authoritarian populism such as the one of Venezuela, the integration of populism into government ultimately leads to the erosion of state institutions and democratic norms. The populist's reliance on the distinction between "us" and "them" enables constant attacks on the so-called elites—an apparent contradiction for leaders who themselves seek or hold power. This rhetorical strategy allows them to position themselves as outsiders, even while operating within the very systems they claim to oppose. This clearly echoes the old Machiavellian principle that a ruler must impose order on those who resist being ruled, asserting authority even in the face of popular resistance. Machiavelli, in this sense, offers a compelling lens through which to view populism. The populist leader mirrors the people's image of themselves; they become the people personified in a single figure. By distancing themselves from the "nobility"—or, in modern terms, the elites—who seek to rule for their own benefit, the populist positions himself as both outsider and sovereign. The question that remains is whether Machiavelli saw this as a sustainable form of governance—one capable of continually reshaping the political order in response to shifting events.

While this paper has explored the relationship between corruption and populism in depth, one important question remains: where does populism end and political corruption begin? As demonstrated, populism often goes hand in hand with corruption, making it increasingly difficult to draw a clear line between these two closely linked—yet distinct—political phenomena. It is precisely this blurred line which creates so many issues for legislation, and which makes the eradication of political corruption so difficult. This is especially true on the local level where huge sums of money are wasted unproductively, all with the aim of pleasing the electorate, creating enormous economic damage in the long run. On the other hand, at the national level, the problem arises when populists actually start governing as populists and do not merely use populism as a rhetorical tactic. As Muller (2018) notes, populist rule is characterised by three things: the attempted appropriation of the state apparatus, corruption and mass clientelism (the offering of material benefits or bureaucratic favours in exchange for the political support of citizens who become "clients" of the populists), and the systematic suppression of civil society, justifying their behaviour by claiming that they are the people.[3]

Since populism utilizes rhetorical strategies that surround itself with the idea of "the people" or "the people's interests" as a justification for its rule, it often seeks to eliminate or erase all mediating structures responsible for checks and balances in truly liberal democracy. These mediating structures get replaced with direct contact between the rulers and the citizens. However, because populism is ostensibly anti-elitist, it often goes beyond attacking those constituting structures who currently constitute the regime and extends their

[2] The Overton Window is a theory that helps to explain how certain ideas are legitimised in the face of public opinion and how citizens conform to those ideas. It is a metaphor developed by Joseph Overton, who led one of the most important public policy centres in the United States. What Overton was suggesting with this metaphor is that policies that are considered viable are considered primarily in terms of the convenience of politicians and their interests. These policies can be presented in a more or less narrow range, depending on how much public opinion differs. They move in a vertical range depending on whether their acceptability can be increased or decreased. As a rule of thumb, the shape of the window to those who believe in certain ideological trends focuses attention on certain ideas and causes ignorance or diminished relevance of others. The Overton window can shift according to the current interest and the possibility of being accepted by the majority. Its limits may be broader or narrower, depending on the idea it wishes to justify to public opinion. This is why this theory is also known as the "window of opportunity" and the "window of acceptance".

[3] Although Müller did not explicitly state it anywhere, his description of populism very well describes the governing strategies socialist regimes in Eastern Europe. These had completely appropriated the entire state apparatus, corruption was widespread and massive clientelism (the state offered material benefits or bureaucratic favours to citizens in exchange for political support from citizens; of course, this privileged supporters and members of the ruling party) while systematically repressing the civil society.

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attack to any political or mediating structures which are not their own, but still manage to meet people's needs. In this way, populism becomes an individual purge of those who hold power across all sectors.

Importantly, populist political ideology is not merely content with replacing those who run the institutions, but want to destroy the institutions themselves so that they can "liberate" people from supposed control of these institutions. When populist politicians come to power, the judiciary, educational institutions, independent media and even certain religious groups are affected—whatever populists consider to be a possible evil in society is a potential target.

At the same time, because populism is directed against an external group (i.e. "the enemy"), individuals belonging to certain groups are at risk. In such cases traditional liberal democratic protections, which are during a non-populist rule extended to all persons, may be temporarily or permanently revoked when there is a question of how to diminish the power of the "enemies" of the regime. These actions are then justified in the name of "the people" can occur indefinitely and can seriously weaken the institutions and the corresponding governing structures which are supposed to protect them. However, such a process of political corruption, encouraged by populism, is in fact more of a gradual erosion of democratic institutions than a revolution.

While today's populists cannot afford a full-scale revolution, as they would risk appearing undemocratic and therefore failing to represent "the people," there are notable historical examples of revolutions whose emergence can be viewed through the lens of populism. The French Jacobins serve as a prime example of populism that escalated into a bloody revolution. Emerging in the wake of widespread dissatisfaction with the monarchy, the Jacobins capitalized on the grievances of the common people, presenting themselves as the true defenders of "the people" against the aristocracy and the monarchy. However, once in power, the Jacobins, under figures like Maximilien Robespierre, began to centralize authority and use populist rhetoric to justify violent measures—culminating in the Reign of Terror, where perceived enemies of the revolution were ruthlessly executed. Similarly, Napoleon started his career as a populist, a junior officer who did not belong to the elites, before transitioning populist rhetoric into an authoritarian rule and eventually crowning himself emperor, consolidating his power at the expense of the democratic ideals he had once claimed to uphold. These two historical examples among others—which are outside the scope of this research—highlight how populism, when intertwined with revolutionary fervor, can evolve from a movement for popular empowerment to one that justifies the consolidation of power through extreme measures.

The roots of political corruption in populism can, in part, be traced back to Marx's concept of "scientific socialism" and his promise of "full communism." While Marx envisioned a classless society as the ultimate goal, his ideas inadvertently laid the groundwork for populist movements that, over time, would use the rhetoric of social equality and revolution to justify the consolidation of power in the hands of a few. Early Marxist revolutionaries, much like today's populists, presented a simplified and moralistic view of politics, framing the struggle as a battle between an evil elite (the bourgeoisie) and a morally pure "people."

The great political corruption (which this paper traces back to the French and numerous later Marxist revolutions) ultimately led, through populism, to the horrors of the Second World War. However, just when it seemed that the world had somehow landed in liberal democracy after the horrors of the Second World War (if we exclude the countries of the socialist bloc), the left-wing intellectuals of the 1960s "realised" that the proletariat was doing too well to be aware of exploitation.

Through the lens of critical theory—including critiques of popular culture such as those advanced by Adorno—Marxist movements in the second half of the 20th century expanded the concept of class struggle to include broader forms of cultural and ideological domination. Rather than focusing solely on the proletariat, they expanded this view to include marginal groups. Foucault, in particular, highlighted the essence of populism as political corruption, noting that while a despot might control people with chains, a true politician binds them more powerfully through their own ideas—often without them even realizing it.

By the 1960s, Marxist-style promises were no longer viable within the electoral framework, as political discourse became more focused on addressing immediate national or local concerns. In this context, populism emerged as a highly visible form of legal political corruption, characterized by politicians tailoring their promises to the prevailing demands of the moment, often without any regard for the future consequences.

On the other hand, socialism, which persisted in most Eastern European Countries for many subsequent years and was based on Marx's "scientific socialism," was in fact the highest degree of political populism. The ideology of the regime managed to sell the majority of the people the idea that the means of production were in fact owned by the "proletariat."

Such a mentality was especially prevalent in Yugoslavia, which enjoyed relative to other socialist countries a much higher living standard and more freedom. Nonetheless, the Yugoslav government—and those affiliated with it—consciously operationalized institutionalized corruption. Although the benefits were not formally private, nor explicitly tied to private ownership, they often involved the *de facto* enjoyment of resources that, *de jure*, remained under national or social ownership. In this system the governing "elites" frequently colluded to distribute these unofficial privileges among themselves, reinforcing networks of personal gain within a nominally collective framework.

In this context, the various forms of corruption—political, judicial, administrative, and beyond—became intertwined, resulting in a comprehensive system of corruption that amounted to the *de facto* capture of the

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state by political elites. This form of institutionalized corruption represented not merely individual misconduct, but a structural condition in which the state apparatus was co-opted to serve the interests of a privileged few.

This chapter, using historical examples, shows how populism can easily transform into a form of political corruption which in its extreme form can result in a total state capture—a system in which a closed elite group controls the state and the various forms of corruption become intertwined. In doing so, this chapter draws critical attention to the resurgence of populist rhetoric that is once again gaining traction across the globe.

4. Discussion

The topic of corruption has been the subject of extensive scholarly inquiry, particularly through the lens of quantitative analysis. Philip (2001) offers a clear framework for understanding how corruption operates and the mechanisms that underpin its effectiveness. He identifies three key elements within the corrupt process: the targets (those who who are subject to influence or "capture"); the agents (those who act as the initiators or facilitators of the corrupt acts); and the methods or mechanisms through which this influence is exerted and the "capture" is achieved.

Table 1 present Mechanisms of Corruption.

Table 1 Mechanisms of corruption.

Targets	
Election results (At national/Local level) - via:	Media, Voters, Candidates (In elections) Political parties, Leaders, political party leaderships.
Political influence (At national/Local level) - via:	Civil servants, Media, Political consultants, Politicians.
Legislation/Regulation (At national/Local level) - via:	Preparers, Politicians, Regulators.
Implementation (At national/Local level) - via:	Inspectors, Police, Regulatory bodies, The judiciary.
Carriers:	
Individuals:	Private individuals, Officials, Policies.
Groups within a country:	Criminal gangs, Companies, Political factions, Local/Regional groups, Factions based on state organisation, parties.
Groups outside the country:	Foreign companies, Foreign governments, International organisations.

Source: Philip (2001).

Philp precisely identifies what populism is: a target-taking by politicians—a form of political corruption. Populism is the *actual* taking over of targets in order to obtain a good electoral result and, consequently, political influence and power. What Philp's research in fact tells is that good electoral results can indeed be achieved through populism.

In order for any conduct to be classified as corrupt, the presence of corrupt intent is a necessary condition. Such intent is said to exist when the infringement is committed in anticipation of a promised, offered or given benefit on the active side, or for a requested, accepted or merely anticipated benefit on the passive side. Corrupt intent may also be directed towards obtaining a benefit for someone other than oneself. In this context, an "other" is any legal or natural person, other than the person who committed the offence, who meets the definition of corruption presented (Rusciano, 2019). Focusing on the section of the resolution that addresses the notion of an "expected benefit" on the passive side, one can observe how populist rhetoric aligns with this dynamic. Populists often offer the public precisely what they want to hear—promises tailored to popular demands—thereby establishing a clear intersection between populism and political corruption.

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Political corruption is not in itself crime, but it is morally and ethically questionable to say the least. Many political decisions are based on the number of votes a particular constituency brings. As such promises and decisions are made that are neither realistic, nor rational and can seriously harm the financial stability of a governing body or a community in the long run. At the local level, where the distribution of public resources is more directly visible, the consequences of such politically motivated decision-making become even more apparent. For instance, a road in a settlement of one thousand potential voters might be repaved despite being in good condition, while a more deteriorated road in a sparsely populated area is left untouched because it serves only fifty or a hundred residents.

Similarly, the development and distribution of essential infrastructure—such as water and sewage systems—are often shaped by political calculations based on voter concentration. This practice can systematically disadvantage minority populations, who receive fewer resources or delayed services compared to majority groups with greater electoral significance. However, such political corruption is not merely present at the local level, but often seen at the national level as well. In such cases similarly large sums of money—in order to win a greater proportion of the electorate—are diverted into investments that should otherwise not demand such high priority or are not needed at all. Such practices include the construction projects of various big and important sports facilities, multi-purpose halls are built and other infrastructure that is not necessarily needed. Beyond the construction of new infrastructure, the effects of politically motivated decision-making are also evident in the maintenance and renovation of existing systems. Investments are often directed toward upgrading infrastructure in densely populated areas—regardless of actual need—while sparsely populated regions, where the voter base is limited, are frequently neglected (Štefan. Šumah, 2018).

Table 2 present two levels of populism as the beginning of political corruption and its consequences.

Table 2. Two levels of populism as the beginning of political corruption and its consequences.

Promises to voters, supporters, and funders	National level	The financial burden of fulfilling these promises—rational or otherwise—is ultimately transferred to taxpayers (Including the very voters, supporters, and financiers to whom the promises were made), typically through the introduction of new taxes, fees, or excise duties.
	Government, politically appointed or elected senior officials	
	Municipal, provincial level	
	Mayors, politically appointed or elected officials	

Source: Štefan Šumah et al. (2020).

Similarly, Hessami (2014) argues that political corruption influences the composition of the state budget, primarily by prioritizing large-scale projects that offer opportunities for personal gain—such as commissions and bribes—while neglecting local-level budgets. This perspective, however, often overlooks the role of political populism as a key instrument in the competition for power, particularly at the local level.

Certain big projects are undoubtedly carried out at the local level as well, where the interest of individuals to make illegal money still exists, but tends to manifest less through overt corruption and more through unproductive or unjustified public spending aimed at securing electoral support.

Troesken's research on the history of public services in the United States during the late 19th and early 20th centuries similarly highlights the role of public enterprises in facilitating political corruption, particularly in relation to electoral outcomes at the local level (2006, 263-279). The research shows that in cities where utilities (water, sewerage, etc.) managements systems were publicly owned—either by cities or other local communities— workers earned up to 40 per cent more per hour and worked up to 17 per cent fewer hours in comparison to the workers that worked in companies which were responsible for manage the same utilities systems but were private. More interestingly perhaps, Troseken's research found that in municipalities where utilities management systems were publicly owned, the employees of the management companies were often required to make contributions to cover local election campaigns. The size of the "voluntary" contribution ranged between 2 and 4 percent of the worker's annual salary, depending on the worker's employment. As a result—in order to secure more support during the elections—politicians had an incentive to employ more workers than was necessary in public enterprises. Moreover, the cost of services provided by public enterprises was often lower than in areas where such services were delivered by private companies. Troesken's research somewhat unsurprisingly finds out that these practices in the long run undermined the financial sustainability of public services and strained municipal budgets—ultimately hindering necessary investments in infrastructure development and maintenance.

The same pattern applies to salaries and pensions, as electoral periods are frequently marked by promises—or direct concessions—targeted at broad-based interest groups such as pensioners, teachers, civil servants, and employees of state- or municipally owned enterprises. These measures are more often than not aimed at securing electoral support rather than reflecting sustainable fiscal planning. In such cases, political corruption manifests itself in a more direct way, catering to specific interest groups.

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Using an international dataset for 155 countries from 1960 to 2020, Zhang (2024) investigates the effect of populist governance on corruption. Zhang's research demonstrates that populist governance is significantly associated with increased corruption within the executive branch, while other forms of corruption—such as judicial or administrative—remain largely unaffected. Zhang (2024) research also shows that populist leaders are more likely to undermine judicial and legislative constraints, which in turn opens the door to massive executive corruption. As such, political corruption based on populism may also generate other forms of corruption. As Kanduč (2024) observes: "The winners are almost always right, even if they employ semi-illegal—if not entirely illegal—methods, and even if they otherwise disregard generally accepted moral values." This perspective may help explain the behavior of many populist politicians once they attain power, particularly their tendency to justify questionable methods by appealing to electoral success or perceived popular legitimacy.

As previously discussed in this paper, many forms of corruption do not constitute criminal offenses. This dichotomy where practices are formally legal but substantially illegitimate was perfectly summarised by the former Justice Minister Zdenka Cerar, who aptly noted, "Not all corruption is a crime (Sedlar, 2015). This statement perfectly highlights the distinction between legality and legitimacy—while certain actions may not violate the law, they may still be ethically questionable.

5. Final Discussion

What is particularly noteworthy is that populist politicians frequently label criticism or opposition to their policies as "populism"—even when such critiques are merely factual statements or legitimate warnings. In some cases, the response to populism appears to be "more populism." However, this is only a temporary solution and has a potential to seriously harm the political landscape in the long run. As such, this paper calls for the established political parties to rethink their policies in a way that they recognising the long-term needs of the electorate while quickly and effectively addressing the current societal problems.

While this paper adopts a balanced perspective on populism, it recognizes that in some instances, populist movements can culminate in the *de facto* criminal appropriation of state institutions. As previously discussed, the concept of a criminal takeover of the state typically involves three key elements (Dobovšek & Mastnak, 2005): the first is the one who is taking over (it can either be a person from a private or a public sector), the second is the one or the thing that is being taken over (laws, decrees and regulation are always taken over, or in short, the state), and the third element is the public that is harmed (although usually not directly).

As previously discussed, the notion of a criminal takeover of the state always comprises three elements (Dobovšek & Mastnak, 2005). First, there is the actor responsible for the takeover, which may originate from either the private sector or within public institutions. Second, there is the object of the takeover—typically state mechanisms such as laws, decrees, and regulations, through which control over the state is exerted. Third, the broader public constitutes the harmed party, even if the harm is not immediately direct or visible. The term "takeover" operates here under the assumption that a governing apparatus is used—or rather abused—for private purposes of an individual or a group of them instead of the public interest.

Venezuela has in recent years emerged as an almost perfect example of the deeply intertwined relationship between political corruption that has grown through populism and can in its extreme form result in a state capture—a *de facto* criminal takeover of the state apparatus. In Venezuela (Maya, 2018) the combination of discourse and populist political modus operandi, charismatic legacy and anti-liberal socialist ideology successfully destroyed all mechanisms of institutional accountability. This has resulted in rampant corruption in the state apparatus, which has turned the military elite and civilian revolutionary groups into criminal mafias that use their privileges to engage various types of criminal activities. Such privileges and interests are *the* uniting factor of these elites, strengthening Maduro's authoritarian rule which allows for a disproportionately repressive action against any kind of political opposition. Concurrently, this perverse dynamic is undermining the strength of state institutions and weakening their capacity to fulfil their basic obligations that relate to the preservation of the lives and well-being of its citizens.

Although Venezuela represents an extreme case of how populist dynamics can evolve within a rentier oil economy, it also stands as a cautionary example for other states. The example illustrates the long-term risks of populist governance when combined with resource dependency, institutional weakening, and the erosion of democratic norms. More importantly for this paper however, the example highlights the dangers of falling under the populist seduction of a charismatic leader who, once in power, can undermine all mechanisms of institutional accountability and destroy democracy from within.

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